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ACCUMULATIVE FUND LTD.

145 King St. West, Toronto, Ontario M5H 2E2

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Exclusive Distributors

UNITED INVESTMENT SERVICES LTD.

Bankers and Custodian

THE BANK OF NOVA SCOTIA

Registrar and Transfer Agent

UNITED FUNDS MANAGEMENT CORP.

Branch Registrar and Transfer AgentCANADA PERMANENT TRUST
COMPANYMontreal, Halifax,
Winnipeg, Calgary,
Vancouver and Saskatoon

(As of April 21, 1973)

Printed in Canada

File**UNITED**

ACCUMULATIVE FUND LTD.

**SEMI-ANNUAL REPORT
FOR THE PERIOD ENDED
MARCH 31, 1973**MEMBER OF
THE CANADIAN MUTUAL FUNDS ASSOCIATION



UNITED ACCUMULATIVE FUND LTD.

TO THE SHAREHOLDERS

In past quarterly reports to our shareholders we have expressed optimism for stock prices, based on sound economic fundamentals both in Canada and the United States. These fundamentals remain substantially unchanged and thus our outlook for equity prices is optimistic.

The quarter just completed saw a continuation of the disparity in performance between the U.S. and Canadian stock markets. The net asset value of United Accumulative Fund declined 6.8% during the quarter to close at \$5.49 on March 30. The Dow Jones Industrial Index is some 7% lower than its December level and down 12% from its all-time high reached in early January. If an unweighted index of all New York Stock Exchange stocks is used as an indicator, current U.S. stock prices are at a lower level than in May of 1970. In Canada, markets have remained relatively unchanged over the past three months, no doubt buoyed up by the heavy flow of moneys into retirement funds. Of more importance for the Canadian stock market, the level of investor confidence has remained high, although some recent weakness has been noted in lower quality issues.

Contributing to the decline in the U.S. stock market were the international monetary problems, the introduction of Phase III of President Nixon's plan to control inflation and unemployment and the rising trend in interest rates. The massive run on the U.S. dollar and the resulting devaluation of the dollar was the second in the past fifteen months. Further problems cannot be ruled out but for the short term a viable solution appears to have taken hold. The relaxation of controls over profits brought fears of increased inflation at a time when food prices were steadily climbing and the stock market reacted negatively to the uncertainty. Higher interest rates, when used to prevent overexpansion of the economy, should not prove to be too onerous over the short term, although there is much debate as to what level these rates will reach.

Canadian economic growth remains at a high level with corporate profits growing strongly. Political problems and our trading position could appear as negatives but at the present time the outlook for the Canadian economy is extremely buoyant. With this in mind, our investment policy over the past number of months has continued to emphasize Canadian equities and the percentage of assets invested in Canada now stands at 45%.

Canadian additions to the portfolio have increased our position in natural resources. Our holdings of The International Nickel Company of Canada and Cominco were added to and a holding of MacMillan Bloedel, a diversified forest products company, was purchased for the Fund. In the United States, we continued to scale down our emphasis on high multiple stocks and these are now at a reasonable level, relative to the total portfolio. Further emphasis was placed on the cyclical areas of the U.S. economy through purchases of Hilton Hotels Corporation and Aluminum Company of America.

Some shareholders have made inquiries concerning the Fund's dividend policy. The Fund paid semi-annual dividends in March and September each year through 1971. With the changes in the Income Tax Act which became effective January 1, 1972, the Fund changed to a policy of paying dividends annually. Accordingly, the only dividend declared by the Fund in 1972 was paid on September 28. We plan to continue this policy of making one dividend payment for the year in 1973 and presently plan to make this payment in September, although as a result of changes in tax legislation intimated in the 1973 Budget of the Federal Government it may be more appropriate to pay the dividend in October rather than September. The Directors will give consideration to each of these alternatives in declaring the dividend for the current fiscal year which will end September 30, 1973.

We believe that excellent fundamental value exists in stock prices today and that the worst has been discounted at current levels. We remain positive and look for improved markets over the next few months.

Respectfully submitted,

DONALD McINNES,
Chairman of the Board.

JAMES B. PRENDERGAST,
President.

Toronto, Ontario,
April 10, 1973.



UNITED ACCUMULATIVE FUND LTD.

INVESTMENT PORTFOLIO

March 31, 1973

Number of Shares or Par Value		Market Value	% of Net Assets	Number of Shares or Par Value		Market Value	% of Net Assets	Number of Shares or Par Value		Market Value	% of Net Assets
COMMON SHARES AND THEIR EQUIVALENT : 96.60%				COMMON SHARES AND THEIR EQUIVALENT : (cont'd)				COMMON SHARES AND THEIR EQUIVALENT : (cont'd)			
Air Transportation : 3.08%				Drugs and Cosmetics : 1.80%				Oil and Gas : 7.45%			
85,000	Delta Air Lines	\$ 5,316,205	2.04%	100,000	American Hospital Supply	\$ 4,693,890	1.80%	53,300	Canadian Superior Oil	\$ 2,824,900	1.08%
120,000	UAL, Inc.	2,711,470	1.04					100,000	Gulf Oil Canada	3,487,500	1.34
Automotive and Parts : 2.49%				Electrical Equipment : 1.46%				90,900	Hudson's Bay Oil & Gas	4,431,375	1.70
40,000	Ford Motor	2,531,705	.97	100,000	Westinghouse Electric	3,807,544	1.46	75,000	Imperial Oil	3,150,000	1.21
150,000	Goodyear Tire & Rubber	3,969,832	1.52					72,600	Pacific Petroleum	2,459,325	.94
Banks : 4.92%				Electronics : 4.97%				54,575	Shell Canada "A"	3,063,022	1.18
6,000	Bank of British Columbia	145,500	.06	40,000	Hewlett-Packard	3,370,613	1.29	278,200	Alberta Gas Trunk Line "A"	4,625,075	1.77
10,000	Bank of Montreal	198,750	.08	30,000	Motorola Inc.	3,123,434	1.20	115,000	Interprovincial PipeLine	2,932,500	1.13
74,000	Bank of Nova Scotia	2,747,250	1.05	120,000	Raytheon Company	3,535,398	1.36	Office Equipment and Supplies : 9.91%			
30,000	Banque Canadienne Nationale	517,500	.20	18,000	Texas Instruments	2,921,197	1.12	20,000	Burroughs Corp.	4,713,864	1.81
60,000	Canadian Imperial Bank of Commerce	1,860,000	.71					17,000	International Business Machines	7,325,964	2.81
100,000	Royal Bank of Canada	3,487,500	1.34	55,000	Aetna Life & Casualty	3,556,620	1.36	90,000	Moore Corp.	4,725,000	1.81
112,500	Toronto-Dominion Bank	3,867,187	1.48	120,000	Canada Permanent Mortgage	2,625,000	1.01	450,000	Rank Organisation "A"	5,287,500	2.03
Beverages : 5.37%				200,000	Royal Trust	5,125,000	1.97	25,000	Xerox Corp.	3,776,334	1.45
130,900	Crush International	1,930,775	.74	60,000	USLIFE Corp.	4,059,716	1.56	Steel : 3.23%			
80,000	Distillers Corporation- Seagrams	3,240,000	1.24					170,000	Dominion Foundries & Steel	4,377,500	1.68
60,000	Schlitz (Jos.) Brewing	3,820,028	1.47	80,000	MacMillan Bloedel	2,500,000	.96	120,000	Steel Company of Canada	4,035,000	1.55
100,000	Walker (Hiram)- Gooderham & Worts	5,000,000	1.92	Hotels and Restaurants : 3.00%				Miscellaneous : .46%			
Chemicals : 5.54%				240,000	Commonwealth Holiday Inns of Canada	3,120,000	1.20	U.S. \$2,500,000	Pennsylvania Engineering, Deben- ture, 5½%, 1993*	836,411	.32
87,250	Dart Industries	3,256,729	1.25	110,000	Hilton Hotels	3,281,978	1.26	U.S. \$1,000,000	Pennsylvania Engineering, Deben- ture, 5½%, 1994*	334,565	.13
50,000	Dow Chemical	5,230,691	2.01	72,000	Scott's Restaurants	1,404,000	.54	16,633	PolyCom Systems	33,266	.01
110,000	Monsanto Co.	5,932,278	2.28	Machinery : 3.05%				TOTAL SHARES AND DEBENTURES			
Communications : 8.79%				110,029	Fluor Corp.	3,873,480	1.49	251,786,167		96.60	
100,300	Canadian Cablesystems	1,755,250	.67	120,000	International Harvester	4,074,696	1.56	SHORT TERM COMMERCIAL NOTES			
85,000	Capital Cities Broadcasting	4,191,419	1.61					2,483,525		.95	
100,000	Knight Newspapers	5,068,403	1.94	20,000	ARA Services	2,796,360	1.07	BANK CERTIFICATES OF DEPOSIT			
100,000	Metromedia Inc.	1,835,111	.70	16,975	Canadian Tire "A"	1,018,500	.39	4,993,500		1.92	
115,000	TelePrompeter Corp.	3,000,469	1.15	75,000	Grant (W.T.) Company	2,050,456	.79	OTHER ASSETS (NET)			
350,000	Thomson Newspapers	4,987,500	1.91	176,000	Simpsons Ltd.	5,962,000	2.29	1,391,966		.53	
85,000	Warner Communications	2,122,238	.81	60,000	Woodward Stores "A "	1,770,000	.68	NET ASSETS			
Consumer Goods : 4.43%				Metals and Mining : 8.49%				\$260,655,158			
75,000	Colgate-Palmolive	7,181,277	2.76	60,000	Aluminium Co. of America	3,078,493	1.18	NET ASSET VALUE PER SHARE			
20,000	Eastman Kodak	2,816,334	1.08	115,100	Cominco Ltd.	3,668,813	1.41	\$5.49			
U.S. \$1,000,000	Eastman Kodak International, Debenture, 4½%, 1988*	1,550,482	.59	200,000	International Nickel Company of Canada	6,625,000	2.54	*Convertible into common shares.			
Diversified Companies : 3.18%				100,000	Noranda Mines	4,950,000	1.90				
150,000	Textron Inc.	3,632,771	1.39	20,000	Pittston Co.	591,730	.23				
150,000	U.S. Industries	2,209,623	.85	140,000	Texas Gulf	3,215,814	1.23				
150,000	White Consolidated Industries	2,453,057	.94								

*Convertible into common shares.



UNITED ACCUMULATIVE FUND LTD.
INVESTMENT PORTFOLIO

March 31, 1973

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120,000	UAL, Inc.	2,711,470	1.04					100,000	Gulf Oil Canada	3,487,500	1.34
Automotive and Parts : 2.49%				Electrical Equipment : 1.46%				90,900	Hudson's Bay Oil & Gas	4,431,375	1.70
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60,000	Canadian Imperial Bank of Commerce	1,860,000	.71	Financial : 5.90%				17,000	International Business Machines	7,325,964	2.81
100,000	Royal Bank of Canada	3,487,500	1.34	55,000	Aetna Life & Casualty	3,556,620	1.36	90,000	Moore Corp.	4,725,000	1.81
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UNITED ACCUMULATIVE FUND LTD.

STATEMENT OF INCOME AND EXPENSE

	Six Months Ended	
	March 31, 1973	March 31, 1972
INCOME:		
Dividends.....	\$2,426,307	\$2,499,006
Interest.....	526,667	790,045
	<u>2,952,974</u>	<u>3,289,051</u>
EXPENSE:		
Management fees (note).....	1,158,998	846,183
Shareholders accounting fees.....	—	166,855
Postage and printing.....	—	27,000
Custodian fees.....	—	18,970
Directors' fees.....	—	11,820
Legal and audit fees.....	—	10,215
Other expenses.....	—	18,071
	<u>1,158,998</u>	<u>1,099,114</u>
Net income before taxes.....	1,793,976	2,189,937
Income taxes.....	294,000	600,600
Net income.....	<u>\$1,499,976</u>	<u>\$1,589,337</u>

NOTE:

Management fees payable to United Funds Management Ltd. (UFM) have been computed on the basis of $\frac{1}{4}\%$ per annum to January 31, 1972 and thereafter on the basis of 1% on the first one hundred million dollars and $\frac{3}{4}\%$ on the excess of the average daily net asset value. In consideration of the increased management fee, UFM has agreed to pay the normal operating expenses of the Fund.



STATEMENT OF PER-SHARE INCOME AND CAPITAL CHANGES

(for a share outstanding throughout the period) for the ten years and six months ended March 31, 1973

Year ended Sept. 30	Net asset value at beginning of period	INCOME					CAPITAL	Net asset value at end of period
		Dividends and interest from investments	Expense	Income taxes	Net income	Dividends paid	Net realized and unrealized gain (loss) on investments	
1963	\$2.67	\$.085	\$.019	\$.001	\$.065	\$.065	\$.50	\$3.17
1964	3.17	.10	.022	.003	.075	.075	.97	4.14
1965	4.14	.11	.022	.005	.083	.083	.43	4.57
1966	4.57	.115	.025	.007	.083	.083	(.48)	4.09
1967	4.09	.115	.028	.017	.07	.07	1.51	5.60
1968	5.60	.115	.032	.025	.058	.058	.55	6.15
1969	6.15	.14	.033	.044	.063	.07	(1.003)	5.14
1970	5.14	.186	.033	.061	.092	.085	(.89)	4.26
1971	4.26	.158	.035	.043	.08	.08	.55	4.81
1972	4.81	.12	.04	.02	.06	.06	.73	5.54
Six months ended March 31, 1973	5.54	.06	.02	.01	.03	.00	(.08)	5.49

The figures shown above have been adjusted to reflect the two-for-one split made January 23, 1969.



UNITED ACCUMULATIVE FUND LTD.

FUND NOTES

United Accumulative Fund, since it was founded in 1957, has endeavoured to help Canadians achieve financial independence and security. Our objective is to help Canadians attain these goals through long-term growth of capital under continuous professional management. Investments may be made in United Accumulative Fund in three convenient ways:

A cash investment provides an immediate investment whereby the shareholder can purchase as many shares as he wishes at the prevailing offered price. Dividends can be reinvested automatically.

A monthly savings plan provides for monthly investments on either a 10- or 15-year basis. Through regular investments the investor achieves his goal.

A variable withdrawal program provides a monthly income when it is required—for retirement, for the education of our children, or for other purposes.

United Accumulative Fund is one of a number of United mutual funds. Others include United Security Fund, United Accumulative Retirement Fund, United American Fund Ltd., United Venture Fund Ltd., United Venture Retirement Fund, United Horizon Fund Ltd., and United Pension Fund. The two Retirement Funds and United Security Fund provide tax-savings plans for investors; United Pension Fund is an investment fund for employee and group pension plans, and is not offered to individuals.

The United group provides a comprehensive range of mutual fund investments, life insurance policies, guaranteed-interest annuity plans, tax-savings plans, and client services.

United Investment Life Assurance Company specializes in term insurance coverages designed to complement mutual fund investment plans, and annuity savings plans.

United Funds Management Corporation is investment manager for the United funds. Shares in the United funds are exclusively distributed by United Investment Services Ltd. United maintains sales offices in major cities across Canada.

United Financial Management Ltd. is the parent company of the United operating companies and of United Investment Life Assurance Company.

If you receive an extra copy of this report, please pass it on to someone who might be interested in this fund. The cost of completely preventing duplicate mailings to those with more than one account would far exceed the cost of printing and mailing extra copies.



UNITED ACCUMULATIVE FUND LTD.

THREE EXAMPLES OF PERFORMANCE RECORD

CASH INVESTMENT \$10,000

A cash investment provides an immediate investment whereby the shareholder can purchase as many shares as he wishes at the prevailing offering price. Dividends can be reinvested automatically. Cash investments may be made in United Accumulative Fund Ltd. through an Open Share Account, with an initial investment of at least \$500 and subsequent investments of at least \$100 each whenever the investor desires. The chart at the top of the facing page records the history of a 15½-year cash investment of \$10,000 in U.A.F. The results allow for deduction of a 9% acquisition fee from the initial investment, deduction of management fees and other expenses of the Fund, and the reinvestment of all dividends without sales charge. The investment of \$10,000 on Oct. 1, 1957, had a cash value on March 31, 1973 of \$33,610.

SAVINGS PLAN \$80 A MONTH

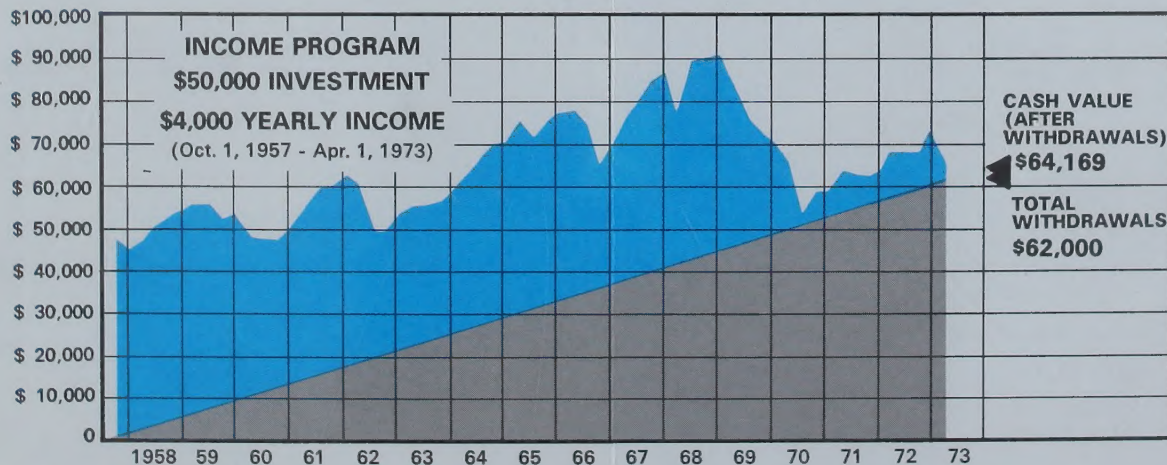
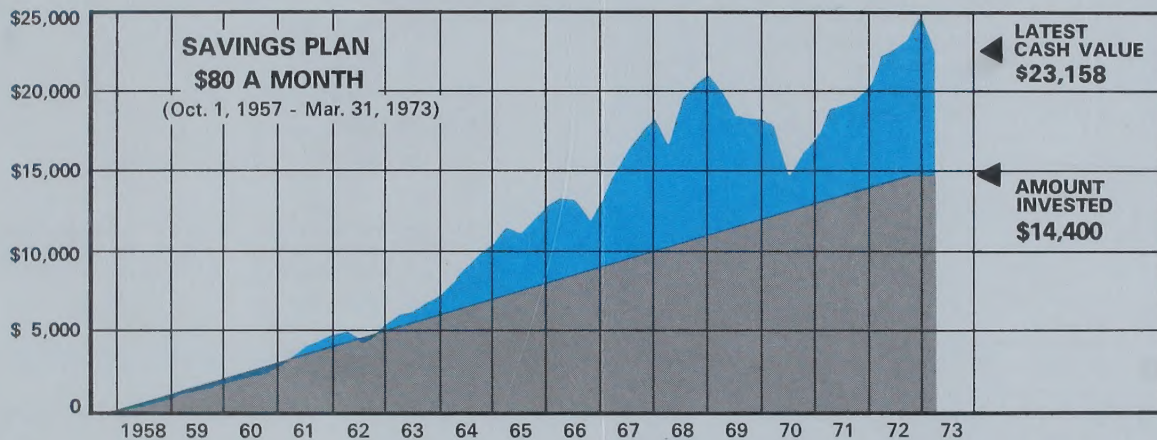
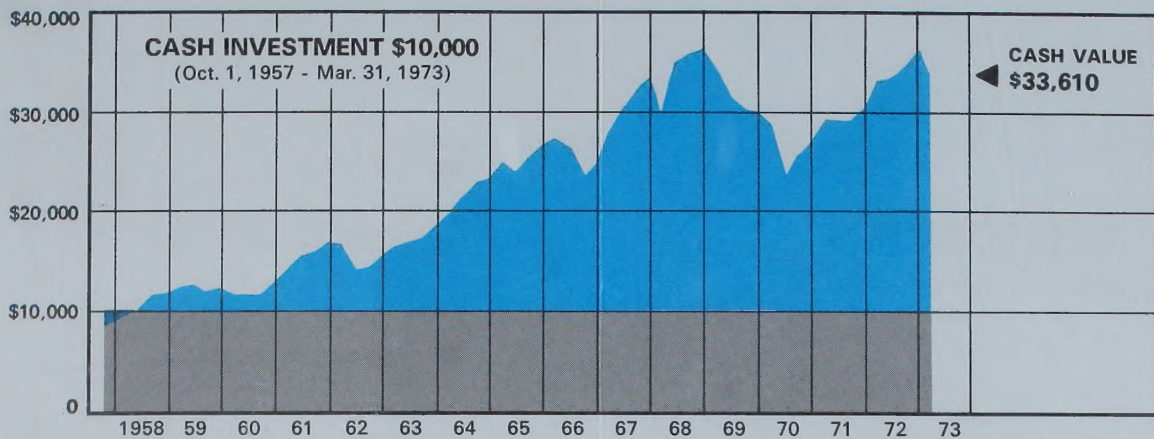
The middle chart at right records the history of a United Periodic Investment Plan, with an initial investment in United Accumulative Fund Ltd. of \$160, and regular investments of \$80 on the first of each month thereafter. These results allow for the deduction of acquisition fees at current rates, the deduction of management fees and other expenses of the Fund, and the reinvestment of all dividends without sales charge. The straight chart line shows the accumulation of the amounts invested; the top chart line shows the cash value of the Plan. In this example, the Plan was commenced Oct. 1, 1957; by Aug. 1, 1972, when the schedule of periodic investments was completed, \$14,400 had been invested and the Plan had a cash value of \$23,244. The planholder left this amount invested in U.A.F., and eight months later at March 31, 1973, the cash value was \$23,158. Under the Periodic Investment Plan, a variety of investment programs are available to suit every income level, and regular monthly investments may be arranged on a 10- or 15-year basis.

INCOME PROGRAM

\$50,000 INVESTMENT \$4,000 YEARLY WITHDRAWALS

Regular income – for retirement, for the education of children, or for other purposes – is conveniently provided by United's Variable Withdrawal Program, which also provides the opportunity for continuing growth of investment. A Variable Withdrawal Program may be arranged when the investor has an Open Share Account with a cash value of \$5,000 or more. The chart at lower right shows the history of \$50,000 invested Oct. 1, 1957, in United Accumulative Fund Ltd., in a Variable Withdrawal Program from which the investor withdrew an annual amount of \$4,000 a year (\$333.33 per month) beginning in November, 1957. The results allow for deduction of the acquisition fee at current rates from the original investment, deduction of management fees and other expenses of the Fund, and the reinvestment of all dividends without sales charge. After 15½ years, the original investment of \$50,000 had a cash value – on April 1, 1973 – of \$64,169, and the investor had received, in withdrawals, \$62,000. (However, it should be noted that, in such a program, withdrawals in excess of dividend income from the Fund and net capital appreciation, will result in encroachment on – or possible exhaustion of – the shareholder's original capital.)

While past performance is no guarantee of how well the Fund will do in the future, prospects for the North American economy in years ahead are very promising.





UNITED ACCUMULATIVE FUND LTD.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended	
	March 31, 1973	March 31, 1972
Net assets, beginning of period.....	\$290,627,450	\$298,396,412
Changes during the period:		
Income:		
Net income for the period.....	1,499,976	1,589,337
Capital:		
Receipts and payments on account of share capital		
For shares issued (a).....	6,198,376	7,030,596
For shares redeemed (b).....	(34,142,874)	(38,140,953)
	(27,944,498)	(31,110,357)
Realized gain on sale of investments (c).....	12,470,909	4,196,124
Increase (decrease) in unrealized appreciation of investments.....	(15,998,679)	30,071,929
	(31,472,268)	3,157,696
Net assets, end of period.....	\$260,655,158	\$303,143,445
(a) Mutual fund shares issued.....	1,092,706	1,418,580
(b) Mutual fund shares redeemed.....	6,020,445	7,587,592
(c) Realized gain on sale of investments:		
Proceeds on sale of investments (d).....	\$ 64,698,654	\$ 87,290,758
Cost of investments sold —		
Investments, at cost, beginning of period.....	225,230,364	267,585,709
Investments purchased: Shares and debentures.....	44,645,706	64,367,962
Decrease in cost of short term commercial notes held (d).....	(6,975,376)	(15,792,955)
	37,670,330	48,575,007
	262,900,694	316,160,716
Less investment, at cost, end of period.....	210,672,949	233,066,082
Cost of investments sold.....	52,227,745	83,094,634
Realized gain on sale of investments.....	\$ 12,470,909	\$ 4,196,124
(d) Excluding short-term commercial note redemptions during period of..	\$ 20,412,881	\$ 35,813,358